Popularity of Indian jewellery in markets abroad

2437. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is fact that Indian jewellery is becoming more popular in Europe, as well as in United States, and is currently favoured niche in Western market;

(b) if so, what was demand and supply position in 2005-06, indicating the increased percentage in demand as compared to export figures of 2004-05;

(c) what steps Government have taken so far for development and popularizing Indian jewellery in world markets, including imitation jewellery; and

(d) what incentives Government propose to give to the makers of imitation jewellery, Zari goods production, etc. in the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) Export performance of jewellery during 2005-06 over 2004-05 are as under:

(in USD Million)

2004-05	2005-06	% of Growth
3008.90	3421.14	13.7

(c) and (d) The Government has taken several steps for export promotion of jewellery. Export of gems and jewellery has been identified as a thrust sector in the Foreign Trade Policy (2004-09) wherein the following facilities have been extended to the Sector:-

(i) Import of gold of 8 carat and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples to be Rs. 300,000.

(iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap/used jewellery has been allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.

(viii) Gem & Jewellery exporters have been allowed to export cut and polished previous and semi-precious stones for treatment and re-import as per Rules.

(ix) Value addition norms for different categories of gems and jewellery products have been reduced.

In the Union Budget 2007-08, certain proposals pertaining to stones used in making studded jewellery were announced as under:-

(i) import duty on cut and polished diamonds has been reduced from 5% to 3%.

(ii) Import duty on rough synthetic stones has been reduced from 12.5% to 5%.

(iii) Import duty on unworked corals has been reduced from 30% to 10%.

The Government provides financial assistance for promoting Indian gems and jewellery products through advertisement, publicity and participation in international fairs, organizing buyer-seller meets, etc. under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce.

Imitation jewellery and Zari products are promoted through number of measures taken by the Government for promotion of handicrafts exports like product development, technological up-gradation, infrastructure development, aggressive international marketing, themes specific fairs, promotion of brand image of handicrafts and organizing sourcing show.